



July 25, 2005

Mr. Howard Bernstein
RPS Manager
Massachusetts Division of Energy Resources
100 Cambridge Street, Suite 1020
Boston, MA 02114

Re: Comments to Division of Energy Resources, Renewable Energy Portfolio Standard Notice of Inquiry, July 1, 2005

Dear Mr. Bernstein:

Associated Industries of Massachusetts (A.I.M.) is pleased to submit the following comments to the Division of Energy Resources, Renewable Energy Portfolio Standard Notice of Inquiry as dated July 1, 2005. The notice solicits comments on proposals to make biomass facilities in Massachusetts and other areas easier to finance and build, or retrofit. As a result, more facilities would be able to take advantage of Renewable Emission Credits (REC's) which will help the state meet its renewable goals under the Renewable Energy Portfolio Standards (RPS) regulations. A.I.M. is the largest employers' association in Massachusetts. A.I.M. members include large and small employers from the industrial, commercial and utility sectors.

Primarily, the proposal would expand the definition of "low-emission, advanced biomass power conversions technologies" to include units previously not available for the RECs. The proposed rules would also make retrofitted units eligible for credits automatically instead of going through a cumbersome qualifications process. Finally, the proposals would establish performance standards for air emissions for all biomass units, bringing certainty to the environmental review process and eliminating individual reviews for each plant, including those out of state, which have become very cumbersome.

A.I.M. believes all these proposals are positive steps for ratepayers in Massachusetts, as they will encourage new or retrofitted facilities to become operational more rapidly. Not only will this result in additional renewable energy credits being available but will potentially lower the cost of these credits, thereby saving consumers money while still delivering renewable facility growth. In addition, the environmental benefits are extremely significant. This is the type of win-win situation that was envisioned by the electric restructuring process many years ago. It will also hopefully reduce spiraling energy costs.

As significant as these benefits are, the proposals would also keep some of this investment in Massachusetts, as opposed to sending it to other states. This will result in jobs, taxes and the potential utilization of brownfields parcels rather than greenfields.

Ratepayers in Massachusetts are paying millions of dollars in the renewable trust funds because of the lack of renewable facilities that comply with the 2004 and beyond renewable portfolio standards. This is unacceptable. Every effort should be made to put downward pressure in the cost of complying while adhering to the goals of the RPS.

For the reasons stated above, DOER and DEP should use every means necessary to broaden the ability of generators to take advantage of RECs. DEP and DOER need to think “outside the box” on new proposals. Nothing should be categorically excluded, provided the facility can meet the performance standard. New ideas will emerge provided the right incentives are in place.

Should you have any questions please do not hesitate to contact me at 617-262-1180.

Sincerely,

A handwritten signature in black ink, reading "Robert A. Rio". The signature is fluid and cursive, with the first letters of each name being capitalized and prominent.

Robert A. Rio, Esq.
Vice President, Environmental Policy

RAR:gm